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# **SOUTH CAROLINA STATE DEVELOPMENT BOARD**

## **ANNUAL REPORT 1972-73**



Printed Under the Direction of the  
State Budget and Control Board

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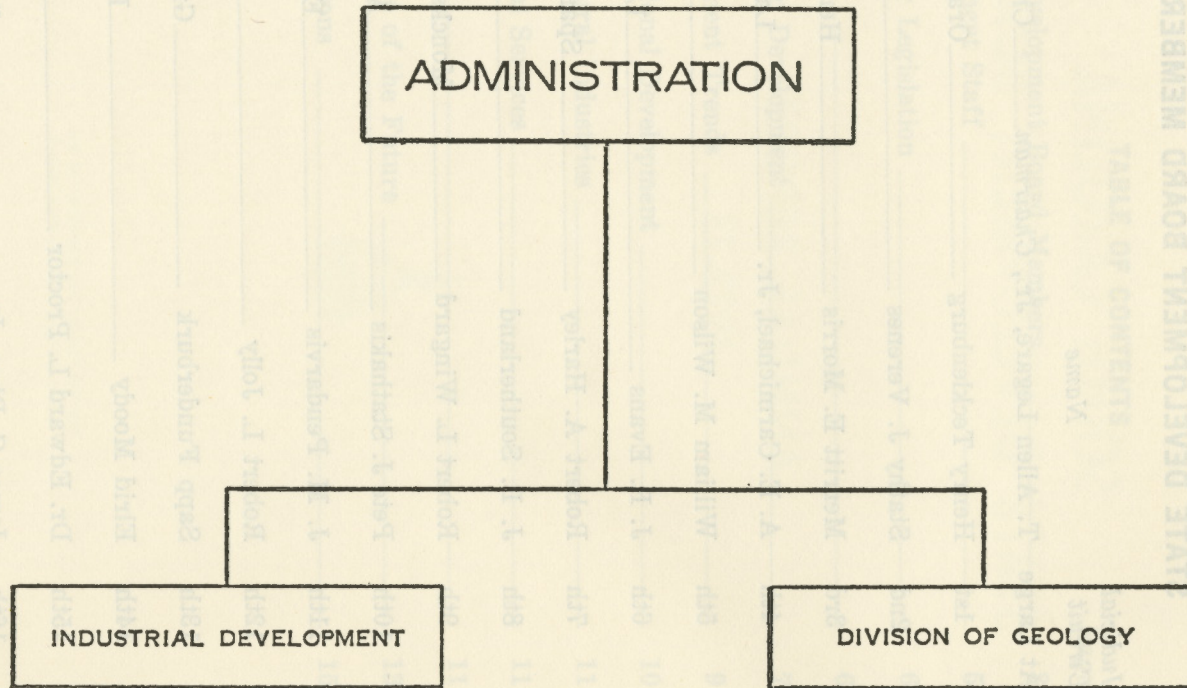
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## SOUTH CAROLINA STATE DEVELOPMENT BOARD MEMBERS

<i>Judicial Circuit</i>	<i>Name</i>	<i>City</i>
At Large	T. Allen Legare, Jr., <i>Chairman</i>	Charleston
1st	Henry Tecklenburg	Orangeburg
2nd	Stathy J. Verenes	Aiken
3rd	Merritt E. Morris	Hemingway
4th	A. E. Carmichael, Jr.	Lake View
5th	William M. Wilson	Camden
6th	J. R. Evans	Lancaster
7th	Robert A. Harley	Spartanburg
8th	J. P. Southerland	Laurens
9th	Robert L. Wingard	Moncks Corner
10th	Pete J. Stathakis	Anderson
11th	J. M. Pendarvis	Edgefield
12th	Robert L. Jolly	Marion
13th	Sapp Funderburk	Greenville
14th	Elrid Moody	Beaufort
15th	Dr. Edward L. Proctor	Conway
16th	James C. Rhea, Jr.	Rock Hill

SOUTH CAROLINA DEVELOPMENT BOARD  
ORGANIZATIONAL CHART





## Management Staff of the South Carolina State Development Board

J. Bonner Manly	Director
F. Earl Ellis	Deputy Director
Wesley M. Pitts	Associate Director for Industrial Development
G. L. Daniel	Associate Director for Communications
Edward B. Burgess	Associate Director for Planning and Research
N. K. Olson	State Geologist
P. M. Smurthwaite	Manager Industrial Services
M. C. Gravely, Jr.	Director Community Development
Howard R. Folkman	Manager Manpower Resources
Caleb C. Whitaker III	Manager Business Development
Robert H. Whitaker	Agriculture Industrial Specialist

## ENABLING LEGISLATION

The South Carolina State Development Board was created for the purpose of conducting an adequate Statewide planning program and Statewide program for the stimulation of economic activity to develop the potentialities of the State; to conserve, restore and develop the natural and physical, the human and social, the economic and productive resources of the State; to promote public interest in the development of the State, through cooperation with public agencies, private enterprises, and charitable and social institutions; to promote and encourage industrial development, private business and commercial enterprise, agricultural production, transportation, the utilization and investment of capital within the State; to assist in the development of existing State and interstate trade, commerce and markets for South Carolina goods; and in the removal of barriers to the industrial, commercial and agricultural development of the State; to assist in insuring stability in employment; to increase the opportunities for employment of the citizens of the State; to devise ways and means to raise the living standards of the people of the State; and to advance the general welfare of the people.

## HISTORY

The South Carolina State Development Board was created originally in 1942 as the Preparedness for Peace Commission. In 1945 enabling legislation was amended and the agency's name changed to the Department of Research, Planning and Development. Under the 1945 Amendment, the State Development Board assumed the responsibilities of the State Board of Housing, The Building Council of South Carolina, the South Carolina Commerce Department Board, the South Carolina Intra-Coastal Waterway Commission, The State Commission of Port Development, The South Carolina Board for Promotion of External Trade, and the Natural Resources Commission.

Since the 1945 Amendment, many of the responsibilities of the State Development Board have been transferred to other agencies by executive order and legislative amendments. Under Act 682, 1954, the name of the agency was changed



from Department of Research, Planning and Development to State Development Board.

## ECONOMIC DEVELOPMENT

During the early 60's the State Development Board's efforts were intensified and its programs budgeted at levels to make the agency a viable force for influencing the economic development of the state. The confidence of the state's leadership in the Development Board's ability to execute its responsibilities were justified. During the 60's South Carolina experienced record breaking growth. Investment by the manufacturing industry totaled more than \$3.9 billion and approximately 169,000 new jobs were created.

### CAPITAL INVESTMENT IN SOUTH CAROLINA BY THE MANUFACTURING INDUSTRY 1960-1969

INDUSTRY	NUMBER OF NEW & EXPANDED PLANTS	EMPLOYMENT	INVESTMENT (\$000)
Food and Kindred			
Products .....	98	4,927	49,709
Textile .....	535	44,054	918,546
Apparel .....	272	32,069	99,424
Lumber and Wood			
Products .....	136	6,580	73,253
Paper, Printing and Allied .....	91	4,553	329,337
Chemical and Allied .....	198	25,055	1,366,664
Stone, Clay and Glass .....	82	4,189	142,929
Metalworking .....	393	44,308	793,849
Remaining* .....	62	3,069	166,663
Total .....	1,867	168,804	3,940,374

\* Includes tobacco, petroleum, rubber and plastics, leather and miscellaneous industries.

Source: Planning and Research Division, South Carolina State Development Board



Increases in manufacturing in the 60's brought increased tax benefits to the state. Estimated revenues generated from income taxes of workers, sales taxes from payrolls and manufacturers' property taxes are estimated at \$277 million, an average annual revenue of \$27.7 million.

During the first three years of the 70's industrial development in South Carolina continued at a record breaking pace. In 1970 and 1971 an additional \$793 million in capital investment was announced by the manufacturing industry representing an additional 23,000 jobs.

During Fiscal 1972-73 South Carolina experienced its most successful year in industrial development with an investment in new and expanded facilities of \$875,210,000 and an addition of about 15,950 new jobs to the industrial payrolls of the state.

### CAPITAL INVESTMENT IN SOUTH CAROLINA BY THE MANUFACTURING INDUSTRY FISCAL YEAR 1972-73

INDUSTRY	NUMBER OF NEW & EXPANDED PLANTS	EMPLOYMENT	INVESTMENT (\$000)
Food and Kindred			
Products _____	2	—	4,500
Textile _____	27	2,690	59,080
Apparel _____	21	2,300	8,050
Lumber and Wood			
Products _____	10	430	22,925
Paper, Printing and Allied _____	9	260	48,400
Chemical and Allied _____	18	1,743	351,100
Stone, Clay and Glass _____	9	640	39,050
Metalworking _____	41	4,963	120,345
Remaining* _____	16	2,931	221,760
<hr/> Total _____	<hr/> 153	<hr/> 15,957	<hr/> 875,210

\* Includes tobacco, petroleum, rubber and plastics, leather and miscellaneous industries.

Source: Planning and Research Division, South Carolina State Development Board

Much of the credit for the state's successes in new industrial development belongs to local governmental development organizations and to private interests. Although the Development Board introduces industry to the state through a national promotion program and a specialized staff, South Carolina's community development organizations, both public and private, must be credited with most final location decisions.

## DEVELOPMENT TRENDS

In addition to the magnitude of the expansion of the industrial base, two important trends have emerged—diversification, and the location of high technology, capital intensive industry. During the 60's substantial investment was recorded in the chemical and metalworking industries making them major manufacturing employers along with textiles. This trend continued during the first years of the 70's. In Fiscal 1972-73, the distribution of capital investment by major industry types again demonstrated the continuing trend toward a widely diversified industrial community.

### PERCENT DISTRIBUTION OF CAPITAL INVESTMENT 1972-73

Textiles .....	6.8%
Apparel .....	1.0%
Wood and Furniture .....	2.6%
Paper and Printing .....	5.5%
Chemicals and Allied .....	40.1%
Metalworking .....	13.8%
All Others .....	30.2%

Manufacturing is the economic base in South Carolina. The state now has a larger percentage of non-agricultural workers employed in manufacturing than any other state in the nation, and growth in manufacturing activity has increased substantially in the last few years.

However, the true effect of South Carolina's industrial development activities must take into account induced growth in sectors of the state's economy other than manufacturing. During the period 1962-1972 total average monthly employ-



ment in the state grew by 27% from 886,500 in 1962 to 1,122,200 in 1972.

Although manufacturing experienced the most growth in absolute terms, growth in many other economic sectors during the last 10 years was also impressive. Overall non-manufacturing employment grew by about 191,000 for an increase of 31% while manufacturing employment increased by about 93,300, a 36% increase.

Areas of non-manufacturing employment which recorded substantial gains during the 1962-1972 period are shown in the following table:

### EMPLOYMENT GROWTH BY INDUSTRY SECTOR 1962-1972

INDUSTRY	ACTUAL INCREASE	% INCREASE
Contract Construction _____	25,900	74%
Transportation, Communications and Utilities _____	14,800	57%
Retail and Wholesale Trade _____	55,800	53%
Finance, Insurance and Real Estate _____	11,000	48%
Services _____	42,600	71%

Source: Calculations based on data supplied by South Carolina Employment Security Commission

### INTERNATIONAL DEVELOPMENT

Much of the growth which has occurred in South Carolina can be attributed to international investment. In the early 60's South Carolina began trying to stimulate interest of foreign based firms. However, it was not until 1969, when the State Development Board established a Division of International Trade, that a concentrated international investment program was started. Altogether foreign firms have invested about \$1.1 billion in manufacturing and sales and service facilities in South Carolina. The state now ranks fourth in the United States in the number of foreign firms located within its borders.

Foreign investment during Fiscal 1972-73 amounted to \$317,700,000, the most of any twelve month period during the Development Board's history.

## VALUE OF FOREIGN INVESTMENTS BY YEAR

(Thousands of Dollars)

Prior to 1960	\$ 79,560
Total 1960-1969	585,456
1970	72,460
1971	4,475
1972	61,900
1973 (Jan.-June)	315,350
<hr/>	
Total	\$1,119,201

Source: Planning and Research Division  
South Carolina State Development Board—June 1973

The state's international development efforts were enhanced further in 1972-73 by the establishment of an office in Japan operated jointly by the State Development Board and the State Ports Authority. Japanese interest in South Carolina during the past year was at an all-time high, stimulated by an increasing shortage of Japanese labor and devaluation of the American dollar. Many Japanese and European companies are finding that construction of factories in the U.S. is essential if they are to compete favorably with domestic firms in the American Market. South Carolina has been fortunate in its ability to attract investment from both Japanese and European interests.

## AGRICULTURAL INDUSTRIES

Extensive efforts have been exerted in the past year to further develop South Carolina's agricultural industries. Special emphasis has been placed on the state's farm products and their potential for the processing industry. The Board's Agriculture Division recently published a new booklet, "Growing Opportunities in South Carolina". The booklet points out many factors why food processors, both domestic and foreign, should consider South Carolina in their expansion plans.

Special emphasis was also placed on the potential of South Carolina's farm products in export markets. A special study,



funded by the Coastal Plains Regional Commission, is presently underway to evaluate South Carolina's agriculture products and their potential as exports. A handbook outlining the mechanics for entering the export market is being developed and will provide South Carolina farmers with basic instructions for entering into export trade.

Studies of abandoned rice fields are still in progress to determine their potential as "farm land" for marine life such as oysters, shrimp, crabs, macrobrachium, and many other forms of sea life.

## **INDUSTRIAL SERVICES**

The Development Board, through its Division of Industrial Services, provides day-to-day assistance to many of the state's existing industries. The Division concentrates on assisting existing industry with expansion plans or identifying and solving operating problems such as production techniques, and many other areas essential to efficient operations.

The Division is responsible for collecting and distributing information of a technical nature to the state's industries. This information, which is obtained from technical societies, trade and technical journals, is vital to the state's established industrial community. The Division of Industrial Services is also instrumental in helping establish and promote private interest in technical societies as agents for the free exchange of information to assist all industries of the state.

## **GEOLOGY**

Much progress has been made in the past year in identifying and developing South Carolina's geological resources. Projects during 1972-73 included activities such as exploration for base metals, vermiculite, sericite, brick clay, limestone and others. A new manufacturing facility was established for the production of cement from limestone deposits in South Carolina.

The state's first seismographic station was established through the aid and assistance of granitic stone resources maps prepared by the Development Board's Division of Geology. South Carolina will soon begin receiving much im-

proved quantitative data on earth tremors; data vital to the state's nuclear industry.

## CHALLENGE OF THE FUTURE

Development activities in South Carolina reached record levels during the past decade. The results have been gratifying. Per capita personal income increased from 65% of the national average in 1962 to 77% in 1972. Employment grew by more than 27%. Retail sales more than doubled. Bank deposits grew by more than 150%. Per capita income increased at an average annual rate of 8% during the 60's and early 70's while the national average grew at an annual rate of 6%. Despite this progress, however, South Carolina still ranks 47th in per capita personal income.

Assuming that the nation and South Carolina will both maintain their present growth rates for the next decade, per capita income in the state will be about \$7,700 annually by 1982. This will represent 91% of the national average. Should these growth rates persist, and other considerations remain the same, South Carolina's per capita personal income will equal the national average between 1987 and 1988.

In order for the state's level of per capita income to reach the national average within the next ten years, economic development efforts must be intensified.

The challenge for development in the 70's will be even greater than it was in the 60's. The energy shortage could cause a serious slowdown for further industrial development in South Carolina. If a mandatory energy allocation program becomes necessary, South Carolina's development will be drastically affected. Such a program would probably provide fuels on the basis of past usage, thus allowing no additional energy for expansion by existing users or new industry.

In order to continue the state's economic growth, means of development which minimize this problem must be identified and pursued. Attraction of industries with low energy requirements must be encouraged and industries which would receive priority under mandatory energy allocation programs must be considered.



South Carolina is fortunate to have a clean environment compared to many other areas of the nation. Environmental regulations are much more stringent than in years past and in 1976 national standards will become even more strict. South Carolina must, therefore, consider in the future only those development activities which have the highest regard for State and Federal environmental safe guards.

The rate of unemployment in the state has been reduced substantially in the last decade. Some areas are experiencing relatively full employment. In these areas in particular it will be necessary to attract high technology capital intensive industries in order for development activities to continue at the pace set in the 60's. On the other hand, many areas of the state are still experiencing relatively high unemployment. For the most part these are the rural areas of South Carolina and it will be a continuing challenge to provide new and better jobs for these areas during the coming years.

Fluctuations of the nation's economy will continue to influence South Carolina's growth in the next decade. Some experts are now predicting a slower pace of national growth activity for the coming year. Those who are more pessimistic are even considering the possibilities of a recession. Should this occur, intensified efforts on the part of South Carolina's development interests, both private and governmental, will be required to insure continued economic growth for South Carolina.

PUBLICATIONS  
OF  
THE SOUTH CAROLINA STATE DEVELOPMENT BOARD

South Carolina Industrial Directory  
 South Carolina: Resource for Industry  
 South Carolina Statistics  
 South Carolina Metalworking Directory  
 South Carolina Economic Trends  
 South Carolina Industrial Services and Suppliers Catalog  
 South Carolina Industrial Atlas  
 Taxes in South Carolina  
 Technical Training in South Carolina  
 Expedite  
 No-Situs Law  
 Industrial Financing in South Carolina  
 South Carolina: Gateway to United States Markets  
 Growing Opportunities in South Carolina

DIVISION OF GEOLOGY

Geologic Notes  
 Geologic Bulletins  
 Geologic Resource Maps  
 Environmental Geology Series  
 Mineral Resources Series  
 Reprint Series (Geologic Papers and Articles)  
 Catalog of Geologic Publications  
 Directory of South Carolina Mineral Producers  
 Field Trip Guide Books

STATE DEVELOPMENT BOARD  
EXPENDITURES 1972-73

ADMINISTRATION	_____	521,568
INDUSTRIAL DEVELOPMENT	___	1,230,901
DIVISION OF GEOLOGY	_____	91,227
		<hr/>
TOTAL EXPENDITURES	_____	1,843,696
		<hr/>